



TWENTY-FOURTH JUDICIAL CIRCUIT

ST. FRANCOIS COUNTY, MISSOURI

TWO YEARS ENDED DECEMBER 31, 1997

**From The Office Of State Auditor  
Claire McCaskill**

Report No. 99-23  
April 13, 1999

AUDIT REPORT



Office Of The  
State Auditor Of Missouri  
Claire McCaskill

**The following problems, discovered as result of our office's most recent two year audit of the Twenty-Fourth Judicial Circuit in St. Francois County, Missouri, are similar to those brought to the circuit's attention eight years ago. In 1991, the State Auditor's Office pointed out concerns similar to the following problems and offered the circuit court recommendations for improvement. In some cases recommendations were implemented, if not totally at least partially; however, many of the following recommendations were not implemented.**

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In the Circuit Clerk's office, deposits are not made on a timely basis and checks are not restrictively endorsed immediately upon receipt. *The court says it is working to improve its procedures so that court deposits will be made more frequently. They say checks will be endorsed once the bank account that the monies are to be deposited into is determined.*

The Circuit Clerk allows employees to cash personal checks from daily receipts. We noted numerous instances where court employees were allowed to cash personal and two-party checks. For example, for one 10-day period in March 1997, thirty personal checks totaling \$820 and five two-party checks totaling \$188 were cashed. This practice weakens controls surrounding receipts and increase the possibility of loss or misuse of funds. *The court says it will not discontinue the practice of allowing small personal or two-party checks to be cashed from court receipts.*

**To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, deposits should be made intact and daily, the practice of allowing employees to cash personal or two-party checks from court receipts should be discontinued, and checks should be restrictively endorsed immediately upon receipt.**

Delinquent child support payments are not adequately monitored in accordance with state law. Delinquency notices are not regularly sent out to the non-custodial parents. This process is currently being performed by the Missouri Division of Child Support Enforcement (DCSE). However, the Circuit Clerk has requested the suppression of billings by DCSE for some delinquent obligations and therefore, no such billings will be generated until the suppression is rescinded by the Circuit Clerk. *The court says it does not have the staff or money needed to monitor delinquent child support payments.*

The Associate Circuit Division does not adequately follow up on surety bonds posted by defendants who fail to make the required court appearances. We noted an instance where a surety bond was not forfeited when the defendant failed to appear on the court date. State law provides for bond forfeiture monies to be distributed to the various school districts in the county. The court's procedure results in less revenue to the school districts. *The Associate Circuit Judge responded that the court's current procedures are adequate.*

The law library custodian receives \$60 a month from law library funds as compensation for maintaining the accounting records; however, a formal agreement, signed by the Circuit Judge, was not found which allowed this compensation.

TWENTY-FOURTH JUDICIAL CIRCUIT  
ST. FRANCOIS COUNTY, MISSOURI

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## FINANCIAL SECTION

## State Auditor's Reports



**CLAIRE C. McCASKILL**  
**Missouri State Auditor**

**INDEPENDENT AUDITOR'S REPORT ON  
THE FINANCIAL STATEMENTS**

Presiding Judge and Court en banc  
and  
The Circuit Clerk of the  
Twenty-Fourth Judicial Circuit  
St. Francois County, Missouri

We have audited the accompanying special-purpose financial statements of the various funds of the Twenty-Fourth Judicial Circuit, St. Francois County, Missouri, as of and for the years ended December 31, 1997 and 1996, as identified in the table of contents. These special-purpose financial statements are the responsibility of the judicial circuit's management. Our responsibility is to express an opinion on these special-purpose financial statements based on our audit.

Except as discussed in the fourth paragraph, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying special-purpose financial statements were prepared for the purpose of presenting the receipts, disbursements, and changes in cash of the various funds of the Twenty-Fourth Judicial Circuit, St. Francois County, Missouri, and are not intended to be a complete presentation of the financial position and results of operations of the various funds of the judicial circuit.

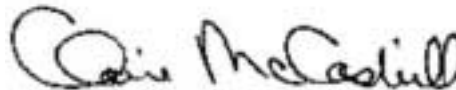
Governmental Accounting Standards Board Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*, requires disclosure of certain matters regarding the year 2000 issue. Such required disclosures include any significant amount of resources committed to make computer systems and other electronic equipment year 2000-compliant; a general description of the year 2000 issue, including a description of the stages of work in process or completed as of the end of the reporting period to make computer systems and other electronic equipment critical to conducting operations

year 2000-compliant; and the additional stages of work necessary for making the computer systems and other electronic equipment year 2000 compliant. Except for disclosures provided by the Associate Circuit Judge, Division III, which are included in Note 3, the Twenty-Fourth Judicial Circuit, St. Francois County, Missouri, has omitted such disclosures. We do not provide assurance that the judicial circuit is or will be year 2000 ready, that the judicial circuit's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the judicial circuit does business will be year 2000 ready.

In our opinion, except for the effects of the omission and of such adjustments, if any, on the financial statements because of the matters discussed in the preceding paragraph, the special-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the receipts, disbursements, and changes in cash of the various funds of the Twenty-Fourth Judicial Circuit, St. Francois County, Missouri, as of and for the years ended December 31, 1997 and 1996, in conformity with the comprehensive basis of accounting discussed in Note 1, which is a basis of accounting other than generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we also have issued our report dated November 25, 1998, on our consideration of the judicial circuit's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the State Courts Administrator's office, St. Francois County, and the Twenty-Fourth Judicial Circuit and was not subjected to the auditing procedures applied in the audit of the special-purpose financial statements referred to above.

A handwritten signature in dark ink, appearing to read "Claire McCaskill". The signature is fluid and cursive, with the first name "Claire" being more prominent than the last name "McCaskill".

Claire McCaskill  
State Auditor

November 25, 1998





**CLAIRE C. McCASKILL**  
**Missouri State Auditor**

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

Presiding Judge and Court en banc  
and  
The Circuit Clerk of the  
Twenty-Fourth Judicial Circuit  
St. Francois County, Missouri

We have audited the special-purpose financial statements of the various funds of the Twenty-Fourth Judicial Circuit, St. Francois County, Missouri, as of and for the years ended December 31, 1997 and 1996, and have issued our report thereon dated November 25, 1998. That report expressed a qualified opinion on the special-purpose financial statements. Except as discussed in that report, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the special-purpose financial statements of the various funds of the Twenty-Fourth Judicial Circuit, St. Francois County, Missouri, are free of material misstatement, we performed tests of the judicial circuit's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance.

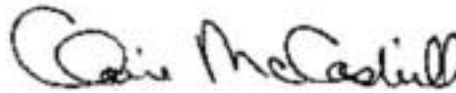
Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose financial statements of the various funds of the Twenty-Fourth Judicial Circuit, St. Francois County, Missouri, we considered the judicial circuit's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the special-purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to

significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the judicial circuit's ability to record, process, summarize, and report financial data consistent with the assertions of management in the special-purpose financial statements.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material to the special-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses, and these matters are presented in the accompanying Management Advisory Report.

This report is intended for the information of the management of the Twenty-Fourth Judicial Circuit, St. Francois County, Missouri, and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in dark ink, appearing to read "Claire McCaskill". The signature is fluid and cursive, with the first name "Claire" being more prominent than the last name "McCaskill".

Claire McCaskill  
State Auditor

November 25, 1998

## Financial Statements

## Exhibit A

TWENTY-FOURTH JUDICIAL CIRCUIT  
ST. FRANCOIS COUNTY, MISSOURI  
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH-VARIOUS FUNDS  
YEAR ENDED DECEMBER 31, 1997

|  | Circuit<br>Division<br>Fund | Associate<br>Circuit<br>Division<br>Fund | Probate<br>Division<br>Fund | Juvenile<br>Office<br>Fund | Law<br>Library<br>Fund | Total<br>(Memorandum<br>Only) |
|--|-----------------------------|--|-----------------------------|----------------------------|------------------------|-------------------------------|
| RECEIPTS                                   |                             |  |                             |                            |                        |                               |
| Court deposits, fees, bonds,<br>and others | \$ 1,772,018                | 730,379                                  | 55,859                      | 7,691                      | 20,936                 | 2,586,883                     |
| Child support                              | 4,822,877                   | 0  | 0                           | 0                          | 0                      | 4,822,877                     |
| Interest income                            | 15,580                      | 3,539                                    | 0                           | 0                          | 67                     | 19,186                        |
| Total Receipts                             | 6,610,475                   | 733,918                                  | 55,859                      | 7,691                      | 21,003                 | #VALUE!                       |
| DISBURSEMENTS                              |                             |  |                             |                            |                        |                               |
| State of Missouri:                         |                             |  |                             |                            |                        |                               |
| Court fees                                 | 64,978                      | 113,783                                  | 30,513                      | 0                          | 0                      | 209,274                       |
| Title IV-D                                 | 577,130                     | 0  | 0                           | 0                          | 0                      | 577,130                       |
| County officials                           | 81,351                      | 252,734                                  | 10,554                      | 0                          | 0                      | 344,639                       |
| Child support                              | 4,228,270                   | 0  | 0                           | 0                          | 0                      | 4,228,270                     |
| Supplies and equipment                     | 10,339                      | 20,403                                   | 0                           | 0                          | 0                      | 30,742                        |
| Refunds and other                          | 669,864                     | 327,946                                  | 14,698                      | 8,026                      | 19,594                 | 1,040,128                     |
| Total Disbursements                        | 5,631,932                   | 714,866                                  | 55,765                      | 8,026                      | 19,594                 | #VALUE!                       |
| RECEIPTS OVER (UNDER) DISBURSEMENTS        | 978,543                     | 19,052                                   | 94                          | -335                       | 1,409                  | #VALUE!                       |
| CASH, JANUARY 1                            | 746,944                     | 118,124                                  | 656                         | 1,417                      | 1,233                  | 868,374                       |
| CASH, DECEMBER 31                          | \$ 1,725,487                | 137,176                                  | 750                         | 1,082                      | 2,642                  | #VALUE!                       |

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit B

TWENTY-FOURTH JUDICIAL CIRCUIT  
ST. FRANCOIS COUNTY, MISSOURI  
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH-VARIOUS FUNDS  
YEAR ENDED DECEMBER 31, 1996

|  | Circuit<br>Division<br>Fund | Associate<br>Circuit<br>Division<br>Fund | Probate<br>Division<br>Fund | Juvenile<br>Office<br>Fund | Law<br>Library<br>Fund | Total<br>(Memorandum<br>Only) |
|--|-----------------------------|--|-----------------------------|----------------------------|------------------------|-------------------------------|
| RECEIPTS                                   |                             |  |                             |                            |                        |                               |
| Court deposits, fees, bonds,<br>and others | \$ 1,003,691                | 684,758                                  | 54,272                      | 11,807                     | 15,930                 | 1,770,458                     |
| Child support                              | 4,276,956                   | 0  | 0                           | 0                          | 0                      | 4,276,956                     |
| Interest income                            | 9,386                       | 3,303                                    | 0                           | 0                          | 39                     | 12,728                        |
| Total Receipts                             | 5,290,033                   | 688,061                                  | 54,272                      | 11,807                     | 15,969                 | 6,060,142                     |
| DISBURSEMENTS                              |                             |  |                             |                            |                        |                               |
| State of Missouri:                         |                             |  |                             |                            |                        |                               |
| Court fees                                 | 65,947                      | 111,676                                  | 27,503                      | 0                          | 0                      | 205,126                       |
| Title IV-D                                 | 575,423                     | 0  | 0                           | 0                          | 0                      | 575,423                       |
| County officials                           | 74,207                      | 228,084                                  | 12,745                      | 0                          | 0                      | 315,036                       |
| Child support                              | 3,679,633                   | 0  | 0                           | 0                          | 0                      | 3,679,633                     |
| Supplies and equipment                     | 1,472                       | 1,145                                    | 0                           | 0                          | 0                      | 2,617                         |
| Refunds and other                          | 328,021                     | 309,411                                  | 13,808                      | 11,315                     | 16,387                 | 678,942                       |
| Total Disbursements                        | 4,724,703                   | 650,316                                  | 54,056                      | 11,315                     | 16,387                 | 5,456,777                     |
| RECEIPTS OVER (UNDER) DISBURSEMENTS        | 565,330                     | 37,745                                   | 216                         | 492                        | -418                   | 603,365                       |
| CASH, JANUARY 1                            | 181,614                     | 80,379                                   | 440                         | 925                        | 1,651                  | 265,009                       |
| CASH, DECEMBER 31                          | \$ 746,944                  | 118,124                                  | 656                         | 1,417                      | 1,233                  | 868,374                       |

The accompanying Notes to the Financial Statements are an integral part of this statement.

## Notes to the Financial Statements

TWENTY-FOURTH JUDICIAL CIRCUIT  
ST. FRANCOIS COUNTY, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Reporting Entity and Basis of Presentation

The accompanying special-purpose financial statements present only selected data for each fund of the Twenty-Fourth Judicial Circuit, St. Francois County, Missouri.

Receipts, disbursements, and changes in cash are presented for the various funds administered by the Twenty-Fourth Judicial Circuit, St. Francois County, Missouri. The operating costs of the offices within the circuit are paid directly from appropriations authorized by the County Commissions within the judicial circuit and the state of Missouri and are not included in these financial statements. The funds administered by the circuit officials located in Madison County, Ste. Genevieve County, and Washington County are reported on separately.

The "Total (Memorandum Only)" column is presented as additional analytical data. Because this column does not identify the restrictions that exist by fund, it should be read only with reference to the details of each fund.

B. Basis of Accounting

The Statements of Receipts, Disbursements, and Changes in Cash for the Twenty-Fourth Judicial Circuit, St. Francois County, Missouri, are prepared on the cash basis of accounting; accordingly, amounts are recognized when they are received or disbursed. This basis of accounting differs from generally accepted accounting principles, which require revenues to be recognized when they become available and measurable or when they are earned and expenditures or expenses to be recognized when the related liabilities are incurred.

C. Fiscal Authority and Responsibility

The Twenty-Fourth Judicial Circuit, St. Francois County, Missouri, includes the transactions of the Circuit Division, the Associate Circuit Division, the Probate Division, the Juvenile Office and the Law Library Fund. Each officeholder has been charged with the responsibility of administering the transactions in his or her division. The Presiding Judge's secretary acts as the custodian of the law library and a private attorney has been appointed to serve as treasurer for the law library. The Twenty-Fourth Judicial Circuit, St. Francois County, Missouri, administers transactions within the following funds:

Circuit Division Fund: This fund accounts for the transactions of the Circuit Clerk's office. These transactions include receipts and disbursements of the criminal, civil, child support, and interest accounts.

Associate Circuit Division Fund: This fund accounts for the transactions of the Associate Circuit Division. These transactions include receipts and disbursements of court costs, fees, fines, bonds and interest income.

Probate Division Fund: This fund accounts for the transactions of the Probate Division. These transactions include receipts and disbursements of court deposits and fees.

Juvenile Office Fund: This fund accounts for the transactions of the Juvenile Office. These transactions include receipts and disbursements of restitution payments and crisis grant monies.

Law Library Fund: This fund accounts for the transactions of the law library, including fees collected from Circuit Division deposits and the related interest income. Disbursements are legally restricted for maintenance of a law library.

2. Cash

Section 483.310, RSMo Cumulative Supp. 1998, authorizes circuit courts to place their funds in savings deposits in banks and savings and loan associations or in U.S. Treasury bills.

In accordance with Statement No. 3 of the Governmental Accounting Standards Board, *Deposits with Financial Institutions, Investments (Including Repurchase Agreements), and Reverse Repurchase Agreements*, disclosures are provided below regarding the risk of potential loss of cash deposits. For the purposes of these disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks and savings institutions.

The circuit court's deposits at December 31, 1997 and 1996, were entirely covered by federal depositary insurance or by collateral securities held by the court's custodial bank in the circuit court's name.

3. Year 2000 Compliance - Associate Circuit Division III

The Office of State Courts Administrator has represented to this division that all programs and equipment installed in this division by them were purchased pursuant to bids that required those programs and equipment to be Year 2000 compliant, that Office of State Courts Administrator has tested those programs and equipment and found them to in fact be Year 2000 compliant. The Judge of this division has tested these programs and equipment and found them to be Year 2000 compliant.



Based upon the above, this division is representing that the computers and programs in use in this division are Year 2000 compliant.

## MANAGEMENT ADVISORY REPORT SECTION

Management Advisory Report -  
State Auditor's Current Recommendations

TWENTY-FOURTH JUDICIAL CIRCUIT  
ST. FRANCOIS COUNTY, MISSOURI  
SUMMARY OF FINDINGS

1. Circuit Clerk's Accounting Controls and Procedures (pages 17-18)

General and criminal account receipts are not deposited timely and employees are allowed to cash personal checks from general account cash receipts. Notices of delinquent child support are not sent.

2. Associate Circuit Division Bond Procedures (pages 18-19)

Adequate procedures regarding the forfeiture of surety bonds are not in place in the court.

3. Law Library Procedures (pages 20-21)

There is no written approval for compensation paid to the law library custodian and perpetual inventory records are not maintained for the law library. In addition, original invoices were not maintained for disbursements made prior to June 1997.

TWENTY-FOURTH CIRCUIT  
ST. FRANCOIS COUNTY, MISSOURI  
MANAGEMENT ADVISORY REPORT-  
STATE AUDITOR'S CURRENT RECOMMENDATIONS

We have audited the special-purpose financial statements of the Twenty-Fourth Judicial Circuit, St. Francois County, Missouri, as of and for the years ended December 31, 1997 and 1996, and have issued our report thereon dated November 25, 1998. That report expressed a qualified opinion on the special-purpose financial statements.

The following Management Advisory Report presents our findings and recommendations arising from our audit of the judicial circuit's special-purpose financial statements. During our audit, we also identified certain management practices which we believe could be improved. Our audit was not designed or intended to be a detailed study of every system, procedure, and transaction. Accordingly, the findings presented in the following report should not be considered as all-inclusive of areas where improvements may be needed.

|  |
|--|
| <b>1. Circuit Clerk's Accounting Controls and Procedures</b> |
|--|

- A. Receipts of the general and criminal accounts are not deposited intact and timely. Deposits are generally made once a week and, for the time periods reviewed, general account and criminal account deposits averaged more than \$2,500 and \$1,000, respectively. Cash is withheld from general account deposits for making change; however, the amount of cash on hand varies from day to day. We also noted numerous instances where court employees were allowed to cash personal and two-party checks. For example, for one 10-day period in March 1997, thirty personal checks totaling \$820 and five two-party checks totaling \$188 were cashed. Additionally, checks were not restrictively endorsed until deposits were prepared. These practices weaken controls surrounding receipts and increase the possibility of loss or misuse of funds.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, deposits should be made intact and daily, the practice of allowing employees to cash personal or two-party checks from court receipts should be discontinued, and checks should be restrictively endorsed immediately upon receipt. In addition, change funds should be kept at a set amount.

- B. Delinquent child support payments are not adequately monitored. Delinquency notices are not regularly sent out to the non-custodial parents. The Circuit Clerk indicated this process is currently being performed by the state Division of Child Support Enforcement (DCSE) and is no longer the responsibility of her office. We have been informed by DCSE personnel that the division will generate and mail billings unless there is a billing suppression

request on file. DCSE records indicate the Circuit Clerk has requested the suppression of billings for non IV-D delinquent obligations and, therefore, no such billings will be generated until the suppression is rescinded by the Circuit Clerk.

Section 452.345.5, RSMo Cumulative Supp. 1998, states that if a party becomes delinquent on support payments equal to one month's total support obligation, the Circuit Clerk shall notify the obligor of the delinquency and shall advise that the obligor's income is subject to withholding for repayment of the delinquency and for payment of current support. The Circuit Clerk must also notify the obligee of the delinquency. This requirement applies to all cases except Title IV-D support cases.

Similar conditions were also noted in our prior report.

**WE RECOMMEND** the Circuit Clerk:

- A. Deposit all receipts intact daily or when accumulated receipts exceed \$100, restrictively endorse all checks immediately upon receipt, and discontinue the practice of allowing personal or two-party checks to be cashed from court receipts. Change funds should be maintained at a constant amount.
- B. Implement procedures to monitor delinquent child support payments and issue delinquent notices in accordance with state law.

### **AUDITEE'S RESPONSE**

*The Circuit Clerk provided the following responses:*

- A. *We are working to improve our procedures so that court deposits will be made more frequently. Checks will be endorsed once the bank account that the monies are to be deposited into is determined. Also, the change fund is now being maintained at a constant amount. However, we will not discontinue the practice of allowing small personal or two-party checks to be cashed from court receipts.*
- B. *We do not have the staff or money needed to implement this recommendation. The status of child support cases change without our knowledge, thus making it difficult to make an informed decision regarding the amount of arrearage due and billings that should be sent. Also, it is the job of the state Division of Child Support Enforcement to refer delinquent child support cases to the Prosecuting Attorney's office for prosecution.*

|  |
|--|
| <b>2. Associate Circuit Division Bond Procedures</b> |
|--|

The Associate Circuit Division does not adequately follow up on surety bonds posted by defendants who fail to make the required court appearances. During our review of court case files,

we noted an instance where a surety bond was not forfeited when the defendant failed to appear on the court date. This was discussed with the Associate Judge who indicated it was not his usual practice to require bonds to be forfeited. Based on discussions with court personnel, it appears few, if any, surety bonds were forfeited during the audit period.

Section 374.770, RSMo 1994, provides for the court to declare a bond forfeiture after the bail bond agent has been given an opportunity to return the defendant to the court. While we did not quantify the number of cases in which bond forfeitures were not made, the court does not have an adequate procedure in place to require bond forfeitures. If the court does not order bond forfeitures as provided by statute, the bond companies have no incentive for making sure defendants show up for court appearances. Section 166.131, RSMo 1994 provides for bond forfeiture monies to be distributed to the various school districts in the county. The court's procedure results in less revenue to the various school districts.

**WE RECOMMEND** the Associate Circuit Division implement adequate procedures to forfeit surety bonds when appropriate.

### **AUDITEE'S RESPONSE**

*The Associate Circuit Judge, Division III responded:*

*Surety bonds may be made by general or limited bail bond agents licensed by the State of Missouri and previously approved by the Judge of Division III in accordance with Missouri Supreme Court Rule 33. The bonds are always returnable on a "Law Day", a general docket call. If charges have been filed and defendant fails to appear the bond is ordered revoked and the surety thereon ordered to produce the defendant as provided by rule and statute.*

*A criminal case is a contested matter. Therefore, the court does not generally order a forfeiture on a bail bond until the state has filed a motion requesting same or the court thinks that the surety has not produced defendant within a reasonable time. Cases in which bail bonds are posted are automated in this division. Accordingly, there is little danger that a case where a warrant is outstanding simply languishes in a drawer with no forfeiture, because the automated system will identify these upon request.*

*The reason for a relative scarcity of forfeitures is that the locally approved sureties are very active in producing defendants who have failed to appear. The court's procedure in the event of a nonappearance is to notify the surety and order the surety to produce the defendant. The surety usually does in a timely fashion. We believe this to be perfectly adequate.*

### **AUDITOR'S COMMENT**

The court did not produce reports of surety bonds or warrants outstanding for routine follow up. For the case discussed above, although the signed bond agreement clearly required the forfeiture of the bond for

the defendant's failure to appear, there was not evidence in the case information or court docket to indicate the surety was subsequently notified.

**3.**

**Law Library Procedures**

The Presiding Judge appointed his secretary to serve as the custodian of the law library and a private attorney to act as law library treasurer. Our review of the law library noted the following concerns.

- A. The law library custodian receives \$60 a month from law library funds as compensation for maintaining the accounting records; however, a formal agreement, signed by a Circuit Judge, could not be found which allowed this compensation. To ensure payment of the compensation is appropriate and adequately documented, a written agreement should be prepared and retained with law library records.
- B. Perpetual inventory records of the law library assets, including books and furnishings are not maintained and a physical inventory is not periodically performed. Law library books and other property items, such as furniture and shelves, purchased from law library funds for placement in the library have not been tagged or identified as property of the law library. A physical inventory should be performed annually and compared to perpetual records to properly account for all law library assets. Without the proper identification, property items could be misplaced, lost, or stolen.
- C. During our review we noted that the custodian did not maintain original invoices to support disbursements made prior to June 1, 1997. To demonstrate and ensure all purchases made from the law library account are reasonable and valid, original invoices should be retained for all disbursements.

Conditions similar to A and B were also noted in our prior report.

**WE RECOMMEND** the Presiding Judge:

- A. Prepare and retain a formal written agreement authorizing compensation for maintenance of law library records.
- B. Require the law library custodian to maintain perpetual inventory records identifying all property purchased with law library monies. Identification should be made with corresponding tag numbers and/or serial numbers. Further, an annual physical inventory of all law library assets should be performed and reconciled with the perpetual records.
- C. Require the law library custodian to retain original invoices to support all disbursements made from the Law Library account.



### **AUDITEE'S RESPONSE**

*The Presiding Judge provided the following responses:*

- A.     *We will implement this recommendation.*
- B.     *We will take this recommendation under consideration.*
- C.     *We have implemented this recommendation.*

This report is intended for the information of the management of the Twenty-Fourth Judicial Circuit, St. Francois County, Missouri, and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

## Follow-Up on State Auditor's Prior Recommendations

TWENTY-FOURTH JUDICIAL CIRCUIT  
ST. FRANCOIS COUNTY, MISSOURI  
FOLLOW-UP ON STATE AUDITOR'S PRIOR RECOMMENDATIONS

This section reports follow-up action taken by the Twenty-Fourth Judicial Circuit, St. Francois County, Missouri, on recommendations made in the Management Advisory Report (MAR) of our report issued for the five years ended December 31, 1990. The prior recommendations which have not been implemented, but are considered significant, have been repeated in the current MAR. Although the remaining unimplemented recommendations have not been repeated, the judicial circuit should consider implementing these recommendations.

1. Circuit Division's Accounting Controls and Procedures

- A.1. Deposits were not made on a timely basis and checks were not restrictively endorsed immediately upon receipt.
- B. The Circuit Clerk allowed employees to cash personal checks from daily receipts.
- C. Interest earned over several years, approximating \$20,692, was omitted from the Circuit Clerk's monthly reports.
- D. The Circuit Clerk did not maintain an investment ledger.
- E. The Circuit Division had not entered into a depository agreement which would require the bank with several Circuit Division accounts to pledge collateral securities to cover monies exceeding the amount insured by the Federal Deposit Insurance Corporation (FDIC).

Recommendation:

The Circuit Clerk:

- A. Make deposits daily or when accumulated receipts exceed \$100, and restrictively endorse all checks immediately upon receipt.
- B. Discontinue the practice of cashing personal checks from daily receipts.
- C. Ensure monthly reports include all interest income received and on hand.
- D. Establish and maintain a complete investment ledger. This record should list all investment purchases, interest earned, redemptions, interest rates, certificate or account numbers, balances of investments, and the name of the financial institutions.
- E. Enter into a depository agreement with the bank to require collateral securities be pledged whenever balances exceed FDIC coverage. In addition, the Circuit Clerk should routinely monitor total amounts on deposit to ensure amounts pledged are sufficient.

Status:

A&B. Not implemented. See MAR No. 1.

C. Partially implemented. Interest income earned on all checking accounts is included on the monthly report. However, interest income earned on certificates of deposit and money market accounts is not. Although not repeated in the current MAR, the Circuit Clerk should consider fully implementing this recommendation.

D. Partially implemented. While the Circuit Clerk does not maintain an investment ledger, investment details are included on the monthly report and a file containing certificates of deposit information is maintained. These procedures appear adequate to account for investment activity.

E. Implemented.

2. Circuit Division's Accounting Procedures - Child Support Account

A. Both of the division's deputy clerks had the capability of accessing child support files and making changes. A record of on-line changes to case records existed, but there was no independent review of all changes made.

B. Delinquent child support payments were not adequately monitored.

C. Although 13 CSR 30-3.010 (5) F. requires the court to distribute interest earned on Title IV-D collections to the state Division of Child Support Enforcement, the Circuit Clerk did not remit the required amounts.

D. The monies the state intercepted for delinquent child support were not entered into the child support computer; therefore, the delinquent amounts owed may be overstated.

Recommendation:

The Circuit Clerk:

A. Assign supervisory personnel with no child support related duties to periodically review the record of on-line changes to child support information.

B. Implement procedures to monitor delinquent child support payments and issue delinquent notices in accordance with state law.

C. Remit interest earned on Title IV-D collections to the state Division of Child Support Enforcement as required by state and federal regulations.

D. Record intercepted monies on the child support system.

Status:

A&D. Implemented.

B. Not implemented. See MAR No. 1.

C. Not implemented. However, the interest amounts due the state were deducted from the child support incentive payments received from the state Division of Child Support Enforcement. In addition, the Circuit Clerk changed the child support account to a non-interest bearing account.

3. Associate Circuit Division's Accounting Controls and Procedures

A. Receipts were not deposited to the fee account on a timely basis and checks were not restrictively endorsed immediately upon receipt.

B.1. At December 31, 1990, unclaimed or noncurrent cash bonds totaling \$8,088 remained in the bond bank account.

2. A monthly listing of open items (liabilities) was not prepared and reconciled to the bank and book balance.

C. Approximately \$442, which cannot be identified with specific cases, has been retained in the Associate Circuit Division's Fee Account for over nine years. Also, checks totaling \$256 have been outstanding for over one year.

D. Fee sheets for several closed cases were not located.

E. Amounts due to the court for specific cases were not always pursued on a timely basis.

Recommendation:

The Associate Circuit Division Clerk:

A. Make deposits daily or when accumulated receipts exceed \$100, and restrictively endorse checks immediately upon receipt.

B.1. Forfeit any bonds for persons who failed to make the required court appearance and attempt to locate those defendants who have a cash bond due back to them and remit the bond amount. Any bond monies remaining unclaimed should be remitted to the state in accordance with state law.

2. Prepare a monthly open-items listing and reconcile the listing with reconciled bank and book balances.

C. Reissue old outstanding checks where the payee can be located and attempt to identify the \$442 in specific court cases. Any unclaimed amounts should then be remitted to the state or county's Unclaimed Fees Fund as appropriate. Procedures should be established to routinely investigate checks remaining outstanding or monies remaining unclaimed over a specified period of time.

- D. Properly maintain all closed fee sheets.
- E. Pursue collection of amounts due on a timely basis.

Status:

- A. Not implemented. Deposits are made approximately twice a week or more frequently when large amounts of cash are received. Checks are not restrictively endorsed upon receipt. Although not repeated in the current MAR, our recommendation remains as stated above.
- B. Partially implemented. Unclaimed and noncurrent cash bonds were not noted in the bond bank account, and open items listings were prepared. However, some bonds were not properly forfeited. See MAR No. 2.
- C. Partially implemented. The \$442 is still in a court bank account. Efforts to resolve old outstanding checks have improved. Although not repeated in the current MAR, our recommendation remains as stated above.

D&E. Implemented.

4. Juvenile Officer's Procedures

- A.1. Receipt slips issued for the receipt of restitution payments were not prenumbered and original receipt slips which were voided were not retained.
- 2. A monthly listing of open items (liabilities) was not prepared and reconciled to the bank and book balance.
- B. To comply with a requirement of a federal Court Diversion Program, the juvenile division verbally contracted for group therapy and counseling services with a local mental health center.

Recommendation:

The Juvenile Officer:

- A.1. Issue prenumbered receipt slips for all restitutions received and retain the original receipt slips for any voided receipts.
- 2. Prepare a monthly open-items listing which should be reconciled to the bank and book balance.
- B. Enter into a written contract specifically defining the rights and duties of both parties as required by state law.

Status:

- A. Implemented.

- B. Partially implemented. While the juvenile office entered into a written agreement with the provider of group therapy and counseling, the contract amount was increased with a verbal agreement and the written contract was not amended. Although not repeated in the current MAR, the Juvenile Officer should consider fully implementing this recommendation.

5. Law Library Accounting Controls and Procedures

- A. Neither the law library treasurer nor custodian were bonded, although both had access to and were responsible for law library monies.
- B. The law library custodian received \$40 a month from law library funds as compensation for maintaining the accounting records; however, a formal agreement, signed by the Circuit Judge, was not found which allowed this compensation.
- C. Perpetual inventory records of the law library assets were not maintained and a physical inventory was not periodically performed. Also, some property, purchased with law library funds was not tagged or identified as property of the law library.

Recommendation:

- A. Require all persons with access to cash be sufficiently bonded.
- B. Prepare and retain a formal written agreement authorizing compensation for maintenance of law library records.
- C. Require the law library custodian to maintain perpetual inventory records identifying all property purchased with law library monies. Identification should be made with corresponding tag numbers and/or serial numbers. Further, an annual physical inventory of all law library assets should be performed and reconciled with the perpetual records.

Status:

- A. Implemented.
- B&C. Not implemented. See MAR No. 3.

## STATISTICAL SECTION



History, Organization, and  
Statistical Information

TWENTY FOURTH JUDICIAL CIRCUIT  
ST. FRANCOIS COUNTY, MISSOURI  
HISTORY, ORGANIZATION, AND STATISTICAL INFORMATION

Organization

The Twenty-Fourth Judicial Circuit consists of St. Francois County as well as Madison County, Ste. Genevieve County, and Washington County.

The Twenty-Fourth Judicial Circuit consists of two circuit judges and five associate circuit judges. The court en banc consists of all divisions of the circuit acting collectively. The circuit judges hear cases throughout the circuit. One circuit judge is elected presiding judge by the court en banc and is responsible for the administration of the circuit. Of the five associate circuit judges, two are located in St. Francois County and preside over the Associate Circuit Division and the Probate Division. The other three associate judges are located in Madison, Ste. Genevieve, and Washington Counties.

In addition to the judges, the personnel of the Twenty-Fourth Judicial Circuit, St. Francois County, Missouri, include a circuit clerk, an associate circuit division clerk, a probate division clerk, twenty deputy clerks, a juvenile officer, seven deputy juvenile officers, a juvenile office attorney, two court reporters, and one secretary.

Circuit personnel located in Madison, Ste. Genevieve, and Washington Counties are not included in the scope of this audit, but are reported on separately.

The juvenile officer's home base is St. Francois County, but he also serves the residents of Madison, Ste. Genevieve, and Washington County.

Operating Costs

The operating expenses of the Circuit Division, the Associate Circuit Division, and the Probate Division are paid by St. Francois County. The operating expenses for the circuit judges, court reporters, and juvenile office are paid for by the various counties within the circuit based on the percentage of the county's population to the total circuit population.

The salaries of court personnel and the juvenile officer are paid by the state of Missouri, except for the salary of one employee in both the circuit and associate divisions who are paid by St. Francois County. The salaries of the juvenile detention center personnel are paid by St. Francois County.

Expenditures incurred for the Twenty-Fourth Judicial Circuit, St. Francois County, Missouri, were obtained from the St. Francois County budget and information provided by the State Courts Administrator's office and are as follows:

| Year Ended December 31,                |   |                    |  |   |                    |         |
|--|---|--------------------|--|---|--------------------|---------|
| 1997                                   |   |                    | 1996                                   |   |                    |         |
| State of Missouri-<br>Personal Service | St. Francois County<br>Personal Service | Operating Expenses | State of Missouri-<br>Personal Service | St. Francois County<br>Personal Service | Operating Expenses |         |
| Circuit Division                       | \$ 237,153                              | 0                  | 8,490                                  | 200,267                                 | 0                  | 5,173   |
| Circuit Clerk                          | 260,983                                 | 14,392             | 46,370                                 | 239,055                                 | 13,304             | 36,582  |
| Associate Circuit Division             | 245,388                                 | 10,562             | 13,631                                 | 234,340                                 | 11,172             | 11,676  |
| Probate Division                       | 66,306                                  | 0                  | 9,808                                  | 59,443                                  | 0                  | 8,865   |
| Juvenile office                        | 34,307                                  | 175,225            | 124,872                                | 32,523                                  | 174,956            | 108,542 |
| Court reporters                        | 82,476                                  | 0                  | 4,732                                  | 78,187                                  | 0                  | 1,050   |
| Total                                  | \$ 926,613                              | 200,179            | 207,903                                | 843,815                                 | 199,432            | 171,888 |

### Caseload Statistics

Caseload statistics of the filings and dispositions of the Twenty-Fourth Judicial Circuit, St. Francois County, Missouri, provided by the State Courts Administrator's Missouri Judicial Reports, are as follows:

| Year Ended June 30, |              |         |              |       |
|---------------------|--------------|---------|--------------|-------|
| 1997                |              | 1996    |              |       |
| Filings             | Dispositions | Filings | Dispositions |       |
| Civil               | 2,620        | 2,330   | 2,367        | 2,131 |
| Criminal            | 5,253        | 4,977   | 5,948        | 5,260 |
| Juvenile            | 233          | 222     | 211          | 236   |
| Probate             | 337          | 327     | 284          | 281   |
| Total               | 8,443        | 7,856   | 8,810        | 7,908 |

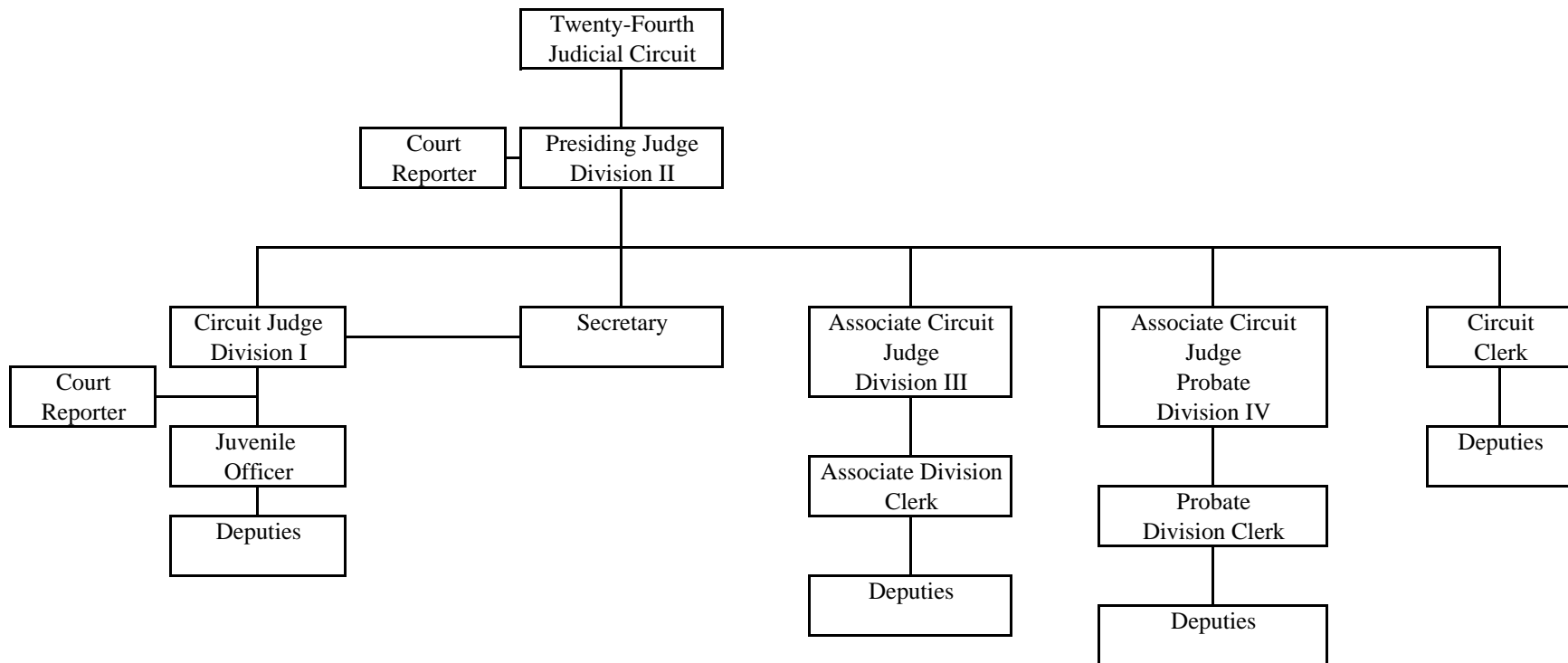
### Personnel

At December 31, 1997, the judges, Circuit Clerk, and Juvenile Officer of the Twenty-Fourth Judicial Circuit, St. Francois County, Missouri, were:

Stanley J. Murphy, Circuit Judge, Division I  
Kenneth W. Pratte, Presiding Judge, Division II  
James E. Pennoyer, Associate Circuit Judge, Division III  
James Kelly, Associate Circuit Judge, Division IV (Probate)  
Shirley Williford, Circuit Clerk  
George B. Boyd, Juvenile Officer

An organization chart follows:

TWENTY-FOURTH JUDICIAL CIRCUIT  
ST. FRANCOIS COUNTY, MISSOURI  
ORGANIZATION CHART  
DECEMBER 31, 1997



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